



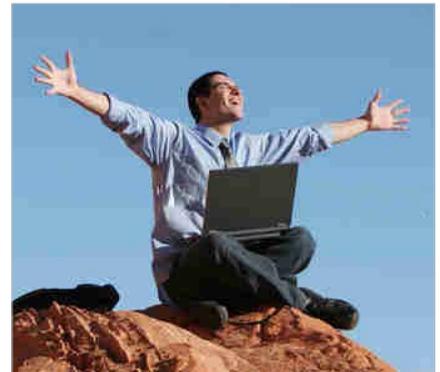
MANDAT  GR  WTH LETTER®

Growth Focus: Structure

CEO-Tip *of the Month*

by Guido Quelle

If You Have a Restructuring Plan, Give it Some Structure



As we understand it, restructuring individual parts of a company, or even the company as a whole, is part of the growth cycle. All too often, restructuring is associated with crisis or with incompetence, and is above all seen as a threat.

Restructuring means that things regain a structure that guarantees that afterwards the company can perform more effectively on the market than it did before. Anything else would make no sense. We don't want to hide the fact that restructuring is unfortunately also used as a euphemism for "making a clean sweep." If 3,500 jobs are cut at a company's headquarters, the term "restructuring" is clearly being stretched.

If we see the restructuring of a company as a chance to give it a more successful market position, the question immediately arises as to how the restructuring itself can maintain a structure in order to avoid confusion and chaos. Or, to put it more positively, the question is how to bring about the restructuring as quickly as possible, since changes will initially be focused inward and our time is better spent focusing on the market.

Here are seven tips that should help bring structure to your restructuring projects. They are based on our experience with advising clients:

1. Clearly define your focus

All too often, restructuring is used to integrate all possible plans. Don't allow this to happen. As the CEO, your interest must be in seeing results on the market as soon as possible.

2. Put freeloaders in their place

Following on from the first point, let your employees know the scope of the restructuring and put the brakes on those who would like to capitalize on the situation by adding on further tasks. The sooner this is done, the better.

3. Provide information from the start

Don't delay. As soon as you're sure about the scope of your restructuring initiative, inform the stakeholders involved, particularly the works council. They should be brought on board from the start to avoid the risk of a good project being blocked on principle.

4. Put together a small team

Too many cooks spoil the broth. Put together a core team to take care of the restructuring.

5. Plan a project

Though this may seem self-evident, it's nevertheless worth pointing out. Plan a project, and when you do, bear in mind that you yourself will need to continue to be involved in the planning. The Senior Management must show its colors when there is a restructuring at the corporate level; otherwise it will lose credibility. At the same time, you don't have to – nor should you – do everything yourself; your role is to set things in motion and organize others. Agree on a project structure that ensures that you will reach your goals quickly.

6. Ensure regularity

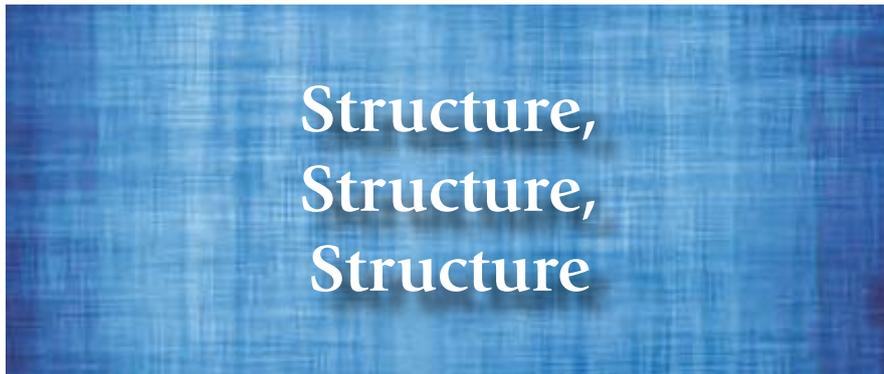
Regular reviews allow you to keep your project team informed of progress. Here we're not talking about input – along the lines of "This is what we've done so far." – but instead about results: "This is what we've achieved so far." Also, the question of what bottlenecks remain is a central one.

7. Know when to stop

It's not about finding the perfect solution. It's about carrying out the necessary restructuring as quickly and successfully as possible. The methods don't have to be pretty; the results are what count.

Strategy & Leadership

by Guido Quelle



How often have we heard it? When once again in a project or meeting we've given a topic structure, clients often say, "It's fascinating: As soon as an issue has a structure it becomes so much easier to grasp the content."

But why are they so amazed? Why should things that help us to organize and speed up our daily lives be any different in our business lives? We wouldn't dream of putting a wardrobe in our bedroom or dressing room if it didn't have compartments, closet rods, drawers, hangers and other organizational features. Of course, they're not absolutely essential; you could also just wad up your clothes in a ball and stuff it in a box. Everything would be put away, but every day would start with an annoying search and plenty of ironing. Which is why, in real life, no one would ever think of doing it.

Why then, in complex business development projects and at meetings to discuss complex issues, do we keep coming across situations where people are doing what they wouldn't do in everyday life? Issues are jumbled; everything is thrown into one big "box." At meetings attempts are made to address every possible subject, because everyone is already sitting at the table and wants to "make the most of the time." Political matters are drawn into a project so they can finally be dealt with, and so on—the list is practically endless.

Don't allow lack of structure to torpedo your topics. The drawbacks of a lack of structure can easily be remedied. You just need:

- o knowledge of suitable methods
- o the discipline to use those methods
- o and the courage to leave unstructured habits behind and call for method and structure. Keep in mind that there may be considerable resistance from the organization; because we are used to doing things our own way, we have no desire to change our working methods.

Let's look at these three levels:

1. Knowledge of suitable methods

It wouldn't be practical to list all the structuring methods we use here, but it's worth mentioning a few of those we typically employ in our consultancy projects and which are easy to learn and implement to great effect.

- o A work breakdown structure is always essential when a project needs a solid structural base. Ideally, the individual sub-projects contain their own topics that, under the direction of a sub-project leader and their representative, will lead to a pre-defined result. Important: the project structure shouldn't reflect individual functions. If it does, chances are good that the project is on the wrong track.

- o The hypothesis tree is used to confirm a hypothesis. It is used to try to find arguments that support a particular assumption (Graphic 1).
- o The deductive logic tree is a means of getting from WHAT to HOW. The individual levels are branched out until concrete measures are finally found (Graphic 2).
- o The Issue Map has also been christened the “yes-no tree” by my students, a name I also feel is apt. It uses closed questions to present various options until only one remains (Graphic 3).

These four structuring methods alone are powerful enough to cover a range of complex situations and make them easier to deal with them. If you have any further questions about this, send me an email at guido.quelle@mandat-group.com.

2. Discipline

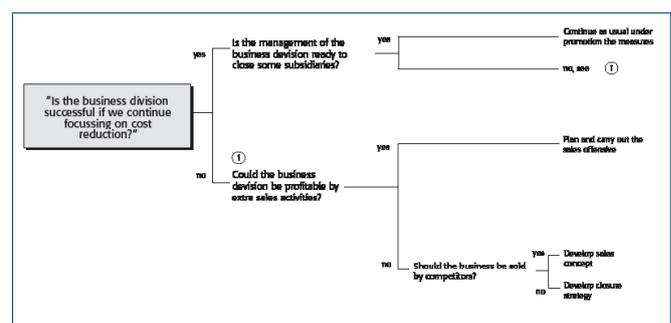
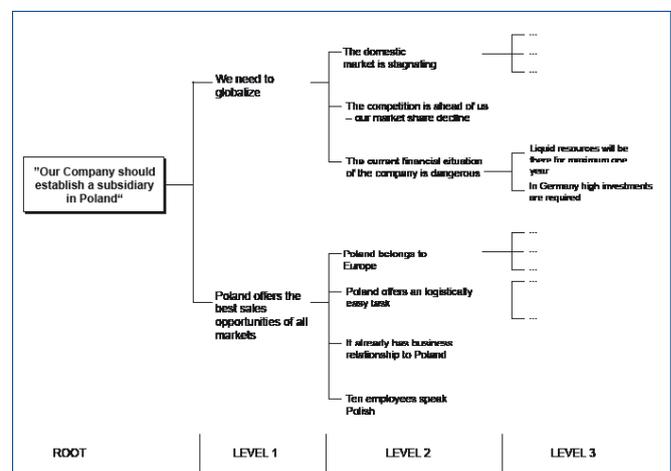
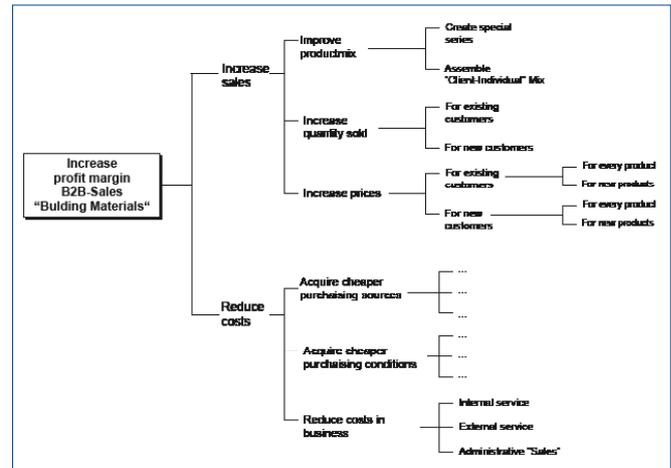
You need strong discipline to apply the structuring methods in real life. The only way is to apply, apply, and apply some more. This is exactly why it is important to start off with just a few new methods and consistently practice using them. It’s not just about knowledge; it’s about the ability to apply it. Sorry, but there are no shortcuts.

3. Courage

Discipline and courage are linked. Some management teams that are used to working together in a certain way will resist new methods. The trick is to emphasize the benefits, not the methods: “In the past we have occasionally realized that we spend valuable time discussing things that aren’t really beneficial to the matter at hand. I’ve given this some thought and today I would like to approach the topic in a slightly different way.”

If there is at least some degree of team spirit, the majority will accept this. If not, you have to take a serious look at the cooperation in your company.

Structuring techniques can make life and working together much simpler. The important thing is not to promote specific methods, but the advantages that using those methods can bring.



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